



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING**

**Scottsdale Airport Terminal Lobby
15000 N. Airport Drive, Scottsdale, AZ**

September 10, 2014

MINUTES

PRESENT: Steve Ziomek, Chairman
Ken Casey, Vice Chairman
William Bergdoll
John Celigoy
Michael Goode (left at 6:57 p.m.)
William Schuckert

ABSENT: Bob Hobbi

STAFF: Sarah Ferrara, Aviation Planning & Outreach Coordinator
Shannon Johnson, Management Analyst
Gary Mascaro, Aviation Director
Chris Read, Airport Operations Manager

GUESTS: Bradley Craig, All Access Jets
Greg Gibson, Signature Flight Support
Phil Marsteller
DeeDee Maza, Zulu Caffé
Betsy McKellips, Zulu Caffé
Rachel Pearson, SCVB

CALL TO ORDER

Chairman Ziomek called the meeting to order at 6:00 p.m.

ROLL CALL

A formal roll call confirmed the presence of Commissioners as noted above.

PLEDGE OF ALLEGIANCE

Chairman Ziomek led the meeting in the pledge of allegiance.

AVIATION DIRECTOR'S REPORT

Mr. Gary Mascaro, Aviation Director, noted that this was Commissioner Bergdoll's last meeting and thanked him for his hard work on behalf of the aviation community, particularly on the General Plan. Chairman Ziomek thanked him for his six years of service to the City.

APPROVAL OF MINUTES

1. Approval of Minutes

Regular Meeting: August 13, 2014

Vice-Chairman Casey made a motion to approve the minutes of the August 13, 2014 regular meeting. Commissioner Goode seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Hobbi was absent.

PUBLIC COMMENT

No members of the public wished to address the Commission.

REGULAR AGENDA ITEMS 1 - 14

1. Annual Update from the Scottsdale Convention and Visitors Bureau

Ms. Rachel Pearson, Vice President of Community and Government Affairs, Scottsdale Convention and Visitors Bureau, presented the Bureau's annual report, discussing the Bureau's golf and holiday marketing campaigns.

Ms. Pearson said the SCVB has a partnership with the Airport. They will again attend the NBAA convention in October and are working with one of the FBOs on VIP welcome bags with destination materials.

Many Scottsdale events are scheduled in conjunction with the Super Bowl. She encouraged everyone to attend the Fan Fest Scottsdale at Fashion Square, especially early in the morning. ESPN requires that 250 people be on site throughout the broadcast hours. Some other events include the Arizona Indian Festival at the Scottsdale Civic Center Mall, the NFL Wives' Fashion Show at Fashion Square, and Taste of the NFL at WestWorld.

Ms. Pearson said the SCVB has invested in HD video footage of Scottsdale that for use by TV stations. Scottsdale Super Bowl events are being branded with "Bring Your Game." The logo is available to anyone who wishes to use it. They are working on a guide and event map and the

website is being constantly updated. Scottsdale promotional videos will be screened at the baggage claims at Sky Harbor during the Super Bowl period.

2. Discussion and Possible Action Regarding Application for Airport Aeronautical Business for All Access Motorsports, LLC, dba All Access Jets to conduct Aircraft Charter Brokerage Services

Management Analyst Ms. Shannon Johnson reported that All Access Motorsports, LLC, dba All Access Jets is seeking ratification of their Airport aeronautical business permit to conduct aircraft charter brokerage services. She noted that Mr. Bradley Craig was in attendance.

At the invitation of Chairman Ziomek, Mr. Craig described the company.

Vice Chairman Casey made a motion to recommend approval of the Airport aeronautical business permit for All Access Motorsports, LLC, dba All Access Jets to conduct aircraft charter brokerage services. Commissioner Bergdoll seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Hobbi was absent.

3. Discussion and Possible Action Regarding Application for Airport Aeronautical Business for Critical Air Response Enterprise, LLC dba AirCARE1 International to conduct Aircraft Charter Services

Ms. Johnson reported that Critical Air Response Enterprise, LLC dba AirCARE1 International is seeking ratification of their Airport aeronautical business permit to conduct aircraft charter services.

She confirmed to Vice Chairman Casey that this company is not related to Aerocare.

Vice Chairman Casey made a motion to recommend approval of the Airport aeronautical business permit for Critical Air Response Enterprise, LLC dba AirCARE1 International to conduct aircraft charter services. Seconded by Commissioner Goode, the motion carried by a vote of six (6) to zero (0). Commissioner Hobbi was absent.

Chairman Ziomek asked staff to advise applicants that they are expected to attend the Commission meeting at which their application is considered. Ms. Johnson said staff does in fact do this.

4. Discussion and Possible Action to Recommend Adoption of Resolution No. 9840, Authorizing Lease Amendment 2011-121-COS-A1 with Ciao Baby Catering, LLC dba Zulu Caffé

Ms. Johnson noted that Zulu Caffé is seeking a recommendation for an amendment to their lease agreement that would change the required hours of service to Monday through Friday 8:00 a.m. to 2:00 p.m. and give the City the right to require the restaurant to extend its hours if necessary to meet public demand. The restaurant would also have the right to close to carry out improvements. She noted that Ms. DeeDee Maza, owner of the Zulu Caffé, was in attendance.

Ms. Maza told the Commissioners that for the first year and a half the restaurant was open seven days a week, serving breakfast on the weekends. However the only way they could attract weekend customers was through LivingSocial and Groupon, but they found that only five percent of those customers would return to the restaurant. Accordingly in July 2013 they stopped serving weekend breakfasts. From September 2013 they served breakfast during the week. After a six-month trial period, that was discontinued. Since the last Commission meeting they have again started serving breakfast. She explained that as their in-flight catering business grows, they would hope to expand their hours of operation.

Mr. Phil Marsteller addressed the Commission. He would appreciate breakfast being available at 7:30 and opined that it is a question of proper marketing and much longer hours of operation.

Ms. Maza responded she agrees that marketing is very important. They are using social media and have recently rebuilt the website. Her colleague Ms. Betsy McKellips has met with area businesses face to face to promote the restaurant. They sent direct flyers to all homes in the area. They advertise in the Airport News and attend many festivals. A sign on Scottsdale Road would probably be the biggest marketing tool, but that is not an option.

Vice Chairman Casey said they are doing a great job. He reminded everyone that the restaurant space had been empty for three years before they took it over. A total of seven other operators had previously leased this space. The reality is that people have to drive past many other restaurants to reach Zulu Caffé. On the weekends, not much is happening on the west side of the Airport. He feels it is not for the Commission to tell the restaurant operators when they should be open.

Ms. Maza said they have made some partnerships at the Airport, participating in charity events and sponsoring the Airport booth at the NBAA convention.

Chairman Ziomek agreed that it is not the Commission's job to tell the restaurant when to be open, however it is their job to analyze and manage the lease. The recent slightly expanded hours are better. He feels the menu should be Americanized.

Ms. McKellips said they want to work with the Airport and the aviation community. They appreciate everyone's suggestions. Bacon and eggs have now been added to the breakfast menu. As operators, they feel that with current trends the menu and prices are right. She distributed copies of the breakfast menu.

Commissioner Bergdoll said he recognizes the challenges the restaurant is facing. His concern is that they are operating a lease and must protect the City's interests. He would have liked to hear more during the meeting about why these substantive lease modifications are necessary.

Ms. Maza said if their goal was in-flight catering they would not be operating the restaurant.

Chairman Ziomek asked what would happen if the lease was not amended. Ms. Maza confirmed that if the lease was not amended they would probably have to close, find kitchen space and continue with the catering business.

Commissioner Bergdoll said the proposed lease amendment is in the favor of the restaurant. Ms. Maza argued that it also favors the City because as the catering business develops, this will

enable them to expand the hours of operation, which will bring more revenue to the City. She pointed out that part of the rent they pay is based on a percentage of sales.

In response to a question by Commissioner Goode, Ms. Johnson said the lease terminates in 2016.

Commissioner Schuckert said that they have come a long way from where they were last May, when they began discussing this. He understands the constraints and challenges. However, his opinion is that they are too far from the lease that they agreed to for him to be able to endorse it. He believes the restaurant should be open on Saturday.

Vice Chairman Casey made a motion to recommend approval of Resolution No. 9840, authorizing lease amendment 2011-121-COS-A1 with Ciao Baby Catering, LLC dba Zulu Caffé. Commissioner Goode seconded the motion.

Chairman Ziomek suggested amending the motion to recommend approval if the restaurant were to add Saturday opening hours. Mr. Mascaro clarified that only the mover or seconder may amend a motion that is on the table.

Commissioner Goode withdrew his second.

The motion made by Vice Chairman Casey died for lack of a second.

Chairman Ziomek made a motion to recommend adoption of Resolution No. 9840, Authorizing Lease Amendment 2011-121-COS-A1 with Ciao Baby Catering, LLC dba Zulu Caffé to modify their hours of operation to accommodate current public demand, requiring Zulu Caffé to be open from 8:00 a.m. to noon on Saturday. Commissioner Goode seconded the motion.

Vice Chairman Casey said he is nervous that given the past history of the restaurant, requiring Zulu Caffé to be open on Saturday might result in the space again being vacant. Commissioner Goode said he felt the motion would not pass without a requirement to be open on Saturday mornings. Since the operators have said without the amendment they would have to go out of business, he sees this as a last gasp effort to keep it open.

Chairman Ziomek noted that even with the current motion the hours are dramatically reduced from the hours required by the existing lease. Ms. Johnson confirmed that those are seven days per week from 7:00 a.m. to 6:00 p.m. Monday through Friday; 7:00 a.m. to 11:00 a.m. Saturday; and 10:00 a.m. to 2:00 p.m. on Sunday. The proposed amendment would be from 8:00 a.m. to 2:00 p.m. Monday through Friday and 8:00 a.m. to noon on Saturday.

The motion carried by a vote of five (5) to one (1), with Vice Chairman Casey dissenting. Commissioner Hobbi was absent.

5. Discussion and Possible Action to Recommend Adoption of Resolution No. 9883, Approving and Authorizing Contract 2014-145-COS with Ciao Baby Catering, LLC dba Zulu Caffé, a Lease Agreement for Office Space in the Aviation Business Center

Ms. Johnson reported that Ciao Baby Catering is seeking a three-year lease agreement for Suite 100 in the Aviation Business Center. This suite will be used strictly as office space and no food preparation will be allowed in it.

Vice Chairman Casey made a motion to recommend approval of Resolution No. 9883, Contract 2014-145-COS with Ciao Baby Catering, LLC dba Zulu Caffé, a lease agreement for office space in the Aviation Business Center. Commissioner Goode seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Hobbi was absent.

6. Discussion and Possible Action to Adopt Ordinance No. 4171 Amending Chapter 5, Aviation, of the Scottsdale Revised Code, to Account for Crane Operations and Natural Growth that may Impact the Airspace Surrounding Scottsdale Airport.

Planning and Outreach Coordinator Ms. Sarah Ferrara recalled that Chapter 5 was adopted approximately two years ago to protect the Airpark's interests and to guide development within the Airport influence area. Staff now proposes that Appendix A to the chapter be repealed within the next few months. In preparation, they reviewed the appendix along with Planning Department staff and the City Attorney's Office and realized that the section pertaining to crane operations and natural growth should be embodied in Chapter 5. Some of the language with regard to the Airport Appeals Board should be clarified. For consistency with the Airport zoning ordinance, some of the noise sensitive uses categories have been changed. She summarized that basically these are minor changes.

Vice Chairman Casey made a motion to recommend adoption of Ordinance No. 4171 amending Chapter 5, Aviation, of the Scottsdale Revised Code, to account for crane operations and natural growth that may impact the airspace surrounding Scottsdale Airport. Commissioner Goode seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Hobbi was absent.

7. Discussion and Input Regarding the New Acquisition of Signature Flight Support Presentation from the New General Manager, Greg Gibson

Chairman Ziomek welcomed Mr. Gibson to the Airport.

Mr. Gibson said he has managed a small FBO in Kansas City and has approximately 20 years of other experience in the industry. He described the services offered by Signature Flight Support. They believe in the highest standards of customer service. They have 75 locations in North America and 116 worldwide.

Commissioner Goode welcomed Mr. Gibson, noting that the Air Center had done a great job of delivering customer service. Mr. Gibson said that Signature aims to maintain that level of service and best practices, and build on that.

Chairman Ziomek said during his recent travels he has been talking to flight operators around the country and Signature is already garnering high marks.

Commissioner Goode left the meeting to catch a flight.

8. Discussion and Input Regarding Presentation and Update on the Sky Kids Event to be Held at Scottsdale Airport

Vice Chairman Casey screened a short video about Sky Kids which Channel 3 filmed at the April event at Goodyear Airport. He thanked the Commission for allowing him to make this presentation and explained that the goal of the program is to give 150 children with mental and/or physical challenges an opportunity to actually fly an aircraft. The pilots volunteer their time, planes and fuel. He encouraged everyone to attend the first Scottsdale event on November 8. He thanked the City and the Airport for their support. Zulu Caffé is supporting the event.

9. Discussion and Input Regarding Monthly Operations Report for August 2014

Airport Operations Manager Mr. Chris Read presented the monthly operations report for August. Eight more aircraft are now based at the Airport compared to last year.

The Airport Operations Center building is out to bid.

Revenue from the U.S. Customs Service fiscal year to date is at \$31,850.

10. Discussion and Input Regarding Monthly Financial Report for July 2014

Ms. Johnson said July revenues were approximately 50 percent higher than they had projected, while expenses were 59 percent lower than projected. Year to date, revenues were slightly up compared to 2013 while expenses were slightly lower.

The Aviation Fund had a cash balance of approximately \$10.57 million at the end of July, including the operating and CIP funds. Several of the accounts receivable currently have a credit balance.

Commissioner Bergdoll inquired about the wide variances in both revenue and expenses from the projected figures. Ms. Johnson replied that July is a tricky month because of the fiscal year end, cautioning that these numbers might change later on. Expenses can be hard to predict so she forecasts conservatively.

11. Discussion and Input Regarding Public Outreach Programs and Planning Projects

Planning and Outreach Coordinator Ms. Sarah Ferrara described the launch of the Airport's 2015 Super Bowl website, branded with the Super Season 2015. This site links to the SCVB website. The banner for the website is also reflected in the graphics for the listservs. She

asked everyone to share any useful links with staff, emphasizing that this is a work in progress. Staff have sent announcements to everyone on their listservs announcing the website launch. Mr. Mascaro added that Ms. Ferrara has worked extremely hard to put this together, noting that no other airport in the Valley has yet launched a website. He thanked her publicly for her efforts.

Chairman Ziomek asked whether the reservation system is ready yet. Mr. Mascaro said at this point the reservations are being done manually. The system is under development and will probably be live by the end of the month.

Ms. Ferrara added that staff is updating brochures to reflect the arrival of Signature.

The next Master Planning Advisory Committee meeting is scheduled for 2:00 p.m. on October 7. A public open house at the terminal will follow from 5:30 to 7:00. She encouraged everyone to attend.

The environmental assessment is being evaluated in conjunction with the Master Plan process.

Staff continues to monitor property development. In August just one project was in the Airport influence area. Nine voluntary curfew reminder letters were sent in August.

12. Discussion and Input Regarding Airport and Airpark Aeronautical Business Permit Additions, Cancellations or Revocations

Ms. Johnson announced that All Access Jets, AirCARE1, Empire Aviation, and John Hopkinson & Associates were all added, having been previously approved by the Commission.

Leading Edge Exteriors and Standard Aero have cancelled their permits. Scottsdale Air Center no longer exists and accordingly that permit has been cancelled.

Scottsdale Flyers' permit was revoked for lack of insurance.

13. Discussion and Input Regarding Status of Aviation Items to City Council

Mr. Mascaro said City Council approved the motor vehicles traffic ordinance update on the September 9 consent agenda.

City Council will consider the Commission's recommendation regarding the amendment to the Zulu Caffé lease on October 21. Mr. Mascaro clarified that the staff recommendation was what was provided to the Commission in tonight's packet, whereas the motion passed was different. City Council will see all of the options, i.e. staff support for the restaurant's request plus the motion approved by the Commission.

14. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar

The next meeting is October 14.

FUTURE AGENDA ITEMS

Commissioner Bergdoll reflected on his six years on the Commission. He expressed appreciation for staff's work. For example, he recalled that there had been large aged accounts receivable outstanding in the past, and today that issue is well under control. He enjoyed his time on the Commission.

Mr. Mascaro stated that the agenda for the next meeting will be heavily focused on the alternative sections of the Airport Master Plan. Their consultant will be in attendance, Commissioner Schuckert will provide input from the Planning Advisory Committee, and input from the open house on October 13 will be provided. He invited the Commissioners to reflect on their own ideas for the Airport over the next 20 years.

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:24 p.m.

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